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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. X No. 8
August 1986

Unemployment Rate

Seasonally Adjusted
June*

ARIZONA	6.9%
Maricopa Co.	5.2%
Pima Co.	5.4%
UNITED STATES	7.1%

Consumer Price Index

National-June
1967 - Base Year

Wage Earner/Clerical Worker -	323.0
% Chg. Yr. Ago	1.3
All Urban -	327.9
% Chg. Yr. Ago	1.7

Phoenix-2nd Qtr. 1986
1977 - Base Year

All Urban -	192.6
% Chg. Yr. Ago	0.9

Tucson-2nd Qtr. 1986
1st Qtr. 1983 - Base Qtr.

All Urban -	116.0
% Chg. Yr. Ago	1.0

* Preliminary

Minimum Wage
Should It Be Raised?

One of the major intents of the minimum wage provision of the Fair Labor Standards Act (FLSA) of 1938 was to lift people out of poverty. This "bottom" wage was established to provide a minimal standard of living for U.S. workers. Has it done this? What, if any, effect has this legally-mandated wage had on our economy? Has it had an effect on the unemployment picture? Has this minimum wage pushed wage levels above it upward? What of its impact on the overall cost-of-living? Has it, in actuality, pushed people into poverty?

It has been five years since the minimum wage was increased. Although political pressure is coming in rising crescendos to raise it again, many economists do not want it increased. They cite that the last round of increases since 1974 has principally been inflationary, both in increasing wage levels above this fixed low wage and, in effect, moving the Consumer Price Index (CPI) ahead.

Proponents, on the other hand, contend that, since the real minimum wage has fallen and that the wage level's proportion of Average Gross Hourly Earnings (AGHE) has declined sharply during the 1980s, it is again time for it to be raised. While it is true that the minimum wage has decreased in real buying power and its proportion of AGHE has dropped in the last five years, there are many other issues to consider.

Since its inception in 1938, the minimum wage, as a provisional low standard of liv-

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Table of Contents

Minimum Wage--Should It Be Raised?. . . 1
Arizona Labor Force Statistics. 12
The Arizona Labor Force in June 16
Supported Employment--Competitive Employment for the Severely Handicapped 17
JSEC News: Maximize the Return on Your Tax Dollar. 19
Project Self-Sufficiency Needs Jobs . . 21
Job Alliance Planning Annual Campaign for Veterans. 22
New Developments. 22

Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

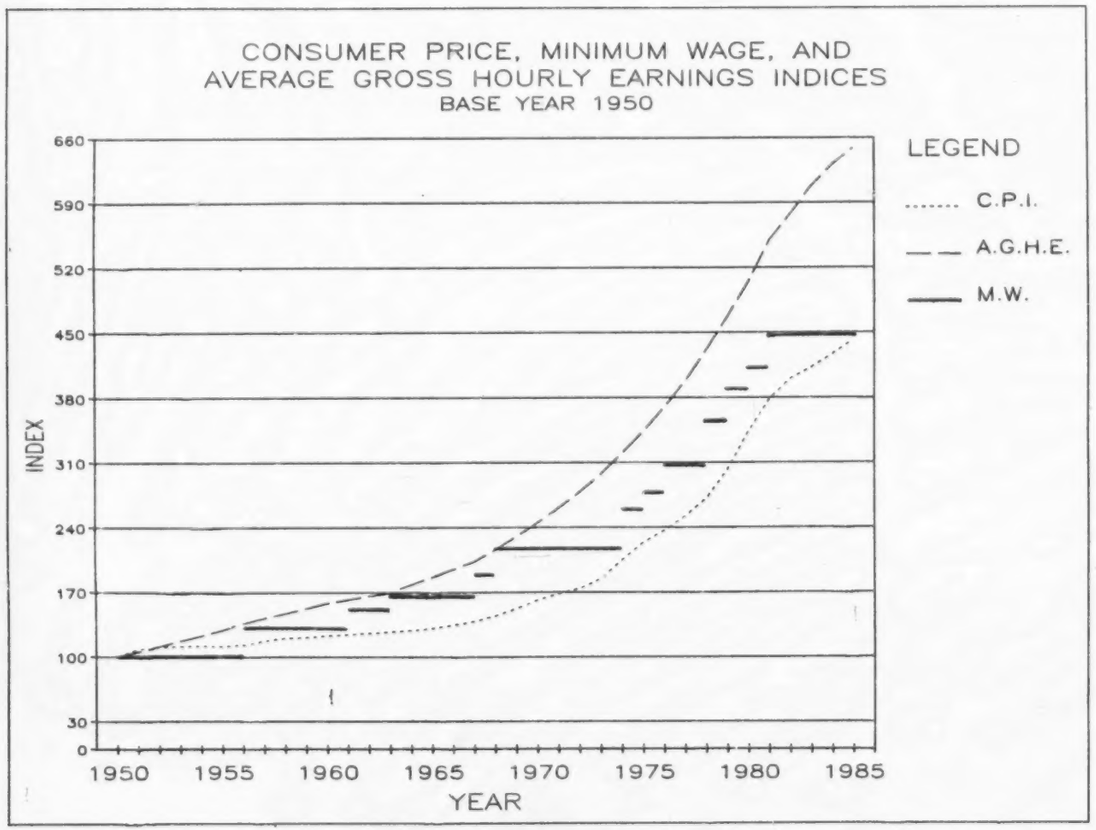
Nancy Augustin, editor
Processed by RA Clerical Support Unit

ing for wage earning workers, has remained above the cost of living as measured by the CPI. Using 1950 as the base year for both the CPI and the minimum wage index (because of the greater data availability since that year), the wage index remained, in 1985, slightly over 1 percent above the CPI. (See Graph 1.)

Actually, the minimum wage tripled from $.25 per hour in 1938 to $.75 per hour in 1950 while cost-of-living growth was low during that 12-year period. In fact, during the entire 47-year period from 1938 to 1985, the legislated minimum wage increases have been greater than the increases of the CPI by over 50 percent.

The CPI was begun in 1919 and is published monthly by the U.S. Department of Labor.

GRAPH 1



Consumer Price, Minimum Wage, and
Average Gross Hourly Earnings Indices
Base Year 1950

YEAR	INDICES CPI	M.W.	A.G.H.E.	M.W. LEVELS PER HOUR
1950	100.0	100.0	100.0	$ .75
1955	111.2	100.0	128.8	.75
1956	112.9	133.3	136.4	1.00
1959	121.1	133.3	152.3	1.00
1960	123.0	133.3	158.3	1.00
1961	124.3	153.3	162.1	1.15
1963	127.2	166.7	169.7	1.25
1965	131.1	166.7	185.6	1.25
1967	138.6	187.7	203.0	1.40
1968	144.5	213.3	215.9	1.60
1969	152.3	213.3	230.3	1.60
1970	161.3	213.3	244.7	1.60
1971	168.2	213.3	260.6	1.60
1972	173.8	213.3	278.0	1.60
1973	184.6	213.3	297.0	1.60
1974	204.9	266.7	319.7	2.00
1975	223.6	280.0	343.2	2.10
1976	236.5	306.7	368.9	2.30
1977	251.9	306.7	397.7	2.30
1978	270.9	353.3	431.1	2.65
1979	301.9	386.7	466.7	2.90
1980	342.6	413.3	504.5	3.10
1981	377.7	446.7	549.2	3.35
1982	400.0	446.7	578.0	3.35
1983	412.5	446.7	607.6	3.35
1984	426.6	446.7	631.1	3.35
1985	441.7	446.7	648.5	3.35

It is a measure of the average change in prices over time for a fixed "market basket" of goods and services chosen to be representative of an "average" consumer's purchases necessary for a sufficient standard of living. This index helps to indicate the change in the "real" buying power of wages (money) over a set period of time. This market basket and expenditure weights were revised in 1978 from a 1972-73 Consumer Expenditure Survey. Many union contracts and governmental programs such as Social Security base their wage and income increases on this index.

Minimum wage workers in 1985 are enjoying a higher standard of living than those in 1938. Considering that most of these workers are low-skilled or inexperienced, they are fortunate in that regard. The current $3.35 per hour minimum wage, set in January 1981, pays the full-time minimum wage earner $6,968 per year. The minimum wage yearly pay in 1938 was only $520.

The minimum wage was established in 1938 to provide a minimal socially acceptable standard of living. Since the mid-1930s, the U.S. has also had government assistance for low-income people such as Aid to Families with Dependent Children, Food Stamps, and other public programs. Private programs, on the other hand, even the partially public-funded, are far more numerous than 50 years ago. They help to support many people who are in poverty or in low wage jobs, as well as labor force entrants, the unemployed, and others. These programs spend millions

of dollars each year, and their ultimate goal is that those people aided can reach and sustain beneficial and productive lifestyles. A specific goal of the minimum wage law is that full-time workers can earn an income above the one-person poverty level.

Undoubtedly, at the time the FLSA was passed, it was needed. That need is still there. During the year before passage of this federal law, unemployment was high, business was poor, and the times were generally bad. People were having trouble finding work, and many people (including children) were employed at very low wages. The time was ripe for the federal government to set labor laws and regulations. Moreover, until this day, it is the only law which covers labor practices in most states, though a few states (not Arizona) do have their own minimum wage and wage collection laws.

Although the FLSA made some broad strokes in establishing minimum wage, overtime pay, record keeping, and child labor restrictions, there are many issues it does not address. For example, not included in the statute are the employment practices of: 1) vacation, holiday, severance, or sick pay; 2) meal or rest periods, holidays off or vacations; 3) premium pay for weekend or holiday work; 4) pay raises or fringe benefits; and 5) discharge notices, reasons for discharge, and immediate payments of final wages.

Also, while most businesses are covered by the FLSA, there are notable exceptions. For example, those businesses having an annual gross volume of sales or business income below a stipulated amount are exempt. As of January 1982, a retail or service establishment which has an annual gross volume of sales or business income of $362,500 or less is exempt. Any other type of enterprise having an annual gross volume of sales or business income of $250,000 or more is covered by the Act.

There are also certain categories of employees not covered by the FLSA. These include domestic service workers such as maids, housekeepers, chaffeurs, cooks, and full-time babysitters--if they receive less than $50 in cash wages in a calendar quarter or work a total of less than eight hours per week. Tipped workers may receive up to 40 percent of the minimum wage as gratuities, presently $1.34 per hour as a part of their wages. Learners and apprentices may, under certain circumstances, be paid less than the minimum wage, as well as full-time students in retail, service, or agricultural establishments, or in institutions of higher education. The Act also states that workers who are aged or mentally or physically disabled, and whose earning abilities are reduced, may also be employed at rates below the minimum wage under special certificates issued by the U.S. Department of Labor.

There are also other exemptions to the provisions of the FLSA. These include: 1) employees of certain individually-owned and operated small retail or service establishments; 2) employees of certain seasonal amusement or recreational establishments; 3) farm workers employed by anyone who used 500 or fewer man-days of farm labor in any calendar quarter of the preceding calendar year; and 4) casual babysitters and persons employed as companions to the elderly or the infirmed.

All of the previous exemptions and others can be found in the Wage and Hour Publication 1282, revised in June 1983 by the U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division.

Obviously, because of all the above exceptions, many workers do not receive the benefits of the minimum wage law. In order to help those who are covered, however, this wage must affect the economy in a positive manner. Economic theory gives us good reason to believe that, quite possibly, a government-mandated wage level has the opposite effect.

Economists will agree that when an artificially imposed wage rate exceeds the "market place" wage rate (the rate openly agreed upon between the employee and employer as beneficial to both), there will be an increase in the number of unemployed. With such an imposed rate, the employer will have to assess other means or methods

to productively operate his business, be he a high-tech manufacturer, a retail store manager, or a restaurant owner. If he decides to cut his staff, more people will be out of work. If he absorbs the additional labor costs, a rise in the price of his goods or services will be necessary in order for him to maintain his profit position. A reduced quality product or service could be another one of his options.

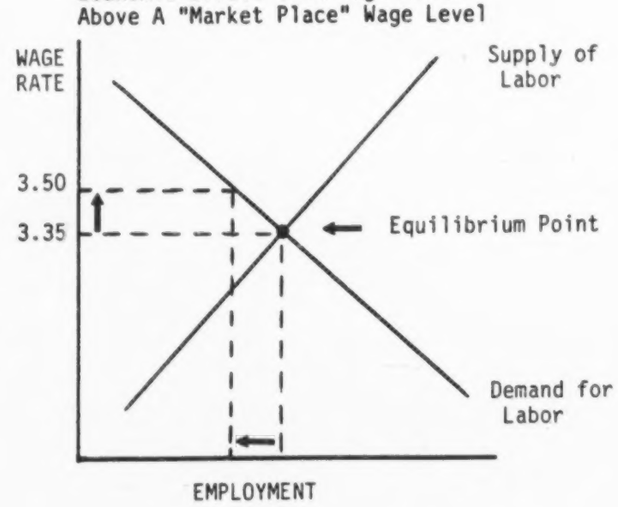
Higher priced labor might force the employer to upgrade his working staff, and/or add job duties and responsibilities to the higher skilled employees. If the employer turns to automation, there will be short-term unemployment at least, and the possibility of a long-term employment transition to a new type of work requiring retraining of the labor force.

of all ages. If the business and its workers do not adjust to this situation and it persists for a long period of time, there will eventually be people dropping out of the labor force.

Andrew Bremmer wrote, in Louis Ruckeyser's "Jobs Are Eliminated," Naught News Service, (August 1978):

> "A growing body of statistical and other evidence accumulated by economists shows that increases in the statutory minimum wage dampen the expansion of employment and lengthen the line-up of those seeking jobs. Advances in the minimum wage have a noticeable adverse impact on young people--the effects on Black teenagers being considerably more severe."

Economic Effect of A Wage Level
Above A "Market Place" Wage Level



The burden on the workers due to this disparity between legal minimum and market place wage rates would fall heavily on those workers entering the labor force--especially teenagers. Also, severely affected would be those workers who are low-skilled

From the book, Economics, Private and Public Choice, by James D. Gwartney and Richard Strump, comes this:

> "As Martin Feldstein has pointed out, the minimum wage acts as an institu-

tional barrier limiting the opportunity to acquire on-the-job training. Many leading economists believe that minimum wage legislation is the major reason for the almost complete lack of skill-building jobs at the lower end of the wage spectrum."

What will be the possible effects of an artificially set wage rate higher than the market place wage level? If we assume that the current U.S. minimum wage of $3.35 per hour is the "market place" wage, then the supply of and demand for labor will be in equilibrium, as shown in the preceeding diagram. However, increasing the minimum wage to $3.50 per hour will result in a cost crunch to the business operator, at least in the short run (six to 12 months). The number of workers willing to work for $3.50 per hour is much greater than the employer's demand for labor at that wage level. This situation will persist until the employer can adjust with labor-saving procedures, increased efficiency, other resource savings, or--as a last recourse--a price increase in or a quality reduction of the product or service. The low-skilled employees, working at the "market place" minimum wage will be replaced with higher skilled workers attracted to those jobs by the higher minimum wage. The low-skilled workers will now be unemployed.

In their book, Economics, Private and Public Choice, James D. Gwartney and Richard Strump predict that all or some of the following outcomes of a minimum wage increase would occur:

1. Jobs in which low-skilled employees are unable to produce a marginal product that is equal to or greater than the minimum wage (unit price higher than its cost) will be eliminated.

2. Substitution of low-skilled workers by machines and highly-skilled workers whose wages have not been raised by the minimum wage increase would occur.

3. As there are more qualified workers at the higher minimum wage, some entry-level jobs will be eliminated.

4. The positions available to inexperienced workers will be primarily dead-end jobs, as it would not be cost effective for an employer to train these employees.

5. Workers who retain their jobs will earn higher wages. This is the "push effect" on wage levels above the increased minimum wage.

6. The net effect of this substitution process will be a reduction in the demand for low-skilled labor.

7. A higher minimum wage makes the low-skilled workers unqualified, that is, unemployable at such a high wage rate.

8. Outside labor competition for low-wage jobs would increase as higher-skilled and low-wage foreign workers are utilized.

9. Consumers will rely heavily on substitute goods produced by higher-skilled labor and foreign markets.

10. Goods and services in the domestic market would have reduced quality.

The more efficient and innovative employers will survive. The more ambitious and resourceful workers will remain on the domestic labor market scene. If nothing else, the minimum wage serves as a determinator of who will do well in our economy.

History shows that the 1950s and 1960s were "good times" economically. However, the U.S. was at war during many of those years. Unemployment rates were around 5 percent, with the exception of 1961 when it rose to 6.7 percent. The minimum wage increase lagged behind the AGHE increase for all production and nonsupervisory employees, as these two indexes rose 113.3 and 130.3 percent respectively. It appears that the U.S. economy was operating efficiently and absorbed the increased labor costs for this period, as the CPI rose only 52.3 percent. The number of persons below the poverty level showed a large decrease during those years from 39.5 million people, or 22.4

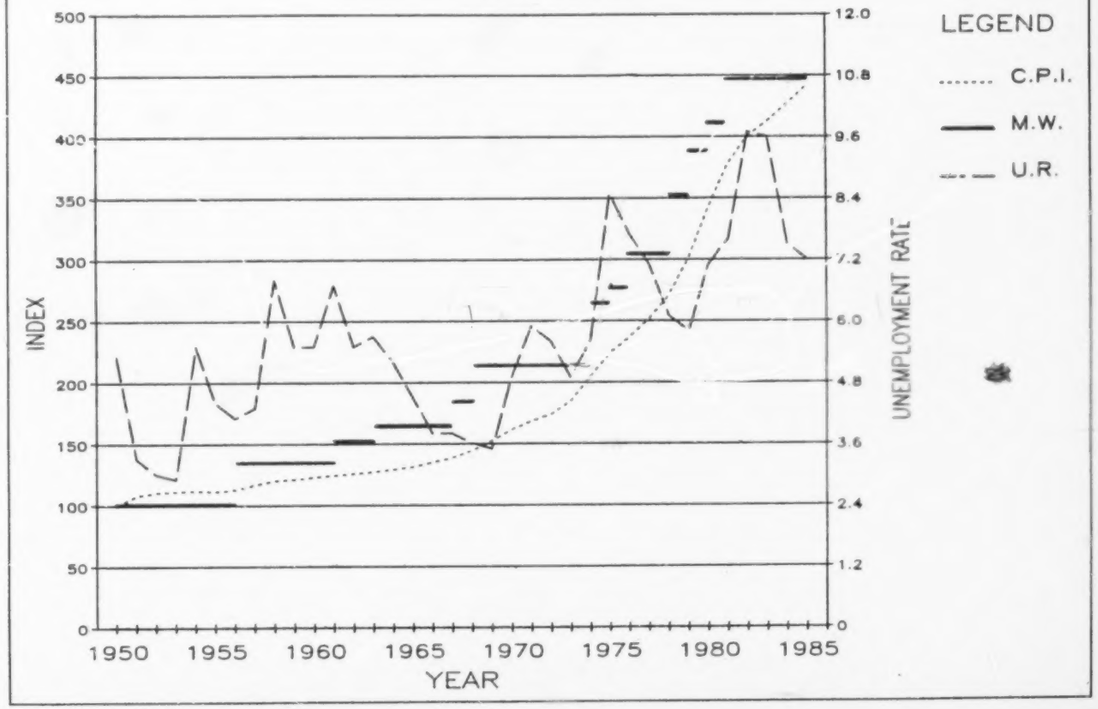
percent of the population in 1959, to 24.1 million people, or 12.1 percent of the population in 1969. The unemployment rate also inched down in the 1960s.

The decade of the 1970s began quietly enough. The overall unemployment rate in 1970 was low--4.9 percent--and the teenage rate was 15.3 percent. The Vietnam War was in its final phase. In 1970, the minimum wage stood at $1.60 per hour, a 14.3 percent increase set in 1968; and the AGHE was $3.23 per hour. The number of persons in poverty increased slightly during the year to 25.4 million people, or 12.6 percent of the population. This number would remain very similar for the entire decade. The CPI in 1970 was around 6 percent above the 1969 level, maintaining the high yearly increase it began in 1968. But economic difficulties were ahead which were to change our lifestyles and thinking throughout the coming years.

The auto industry was losing its "untouchable" status in the American economy during the 1970s. This high wage industry was being encroached upon primarily by Japan with its low wage base (presently about one-quarter of the U.S. auto industry hourly production wage level), as well as by other countries. Then came late 1973 with the oil shakeout--OPEC creating a stronghold with its crude oil reserves against our country which had become more dependent on outside sources of energy. In the coming years, OPEC was to increase its price for crude oil from around $6 per barrel in 1973 to

GRAPH 2

CONSUMER PRICE INDEX, MINIMUM WAGE LEVELS, AND TOTAL UNEMPLOYMENT RATES
1950 – 1985



nearly $30 per barrel in the late 1970s. During the 1970s, the U.S. was also losing much of its light manufacturing to foreign countries with their low labor costs, as well as experiencing new heights in housing costs.

It appears that minimum wage increases may have had an effect on other wage and CPI increases as well as having an effect on unemployment. As all of this economic turmoil was occurring, the minimum wage increased almost every year for eight years, more than doubling from $1.60 per hour in 1973 to $3.35 per hour in 1981--a 109.4 percent increase. The AGHE increase lagged behind the minimum wage, though it rose 81.3 percent during the eight-year period. As the minimum wage was experiencing these large increases, the unemployment rate reflected these business difficulties by increasing from 4.9 percent in 1970 to 7.6 percent in 1981--hitting new heights along the way. The teenage unemployment rate increased from 14.5 to 19.6 percent during this period.

One foremost effect of the economic disturbances of the early 1970s was unemployment rates rising to 8.5 and 7.7 percent in 1975 and 1976, due primarily to the auto and oil industries. These rates came down during the rest of the 1970s as industries adjusted, with government support, to their difficulties. The teenage unemployment rate also rose in 1975 and 1976 to 20.0 and 19.0 percent, while the minimum wage level increased 15 percent during those two years.

Poverty numbers also reflected our worsening unemployment conditions, increasing from 23.4 million people in 1974 to 31.8 million people in 1981. In addition, the CPI rose 104.6 percent during the 1974 to 1981 period, increasing an average of 13 percent per year, as high prices of crude oil, other national resources, and new housing pushed the index upward.

As AGHE rose, spurred by these badly timed large minimum wage increases, and as basic resource prices increased to high levels, the CPI leaped far ahead, showing percentage increases of 11.0 in 1974 and 9.1 in 1975. This high CPI growth drove up interest rates as lenders were forced to charge a high nominal interest rate. Investment money was expensive.

This chain of events produced hard times for the construction industry in the late 1970s and early 1980s due to high labor costs and the high cost of borrowing money to finance projects. Unemployment rates increased. New home prices rose, as did the interest cost for buyers. More expensive homes were now the main impetus for another round of high cost-of-living increases starting in 1979. The CPI recorded increases of 11.5 percent in 1979, 13.5 percent in 1980, and 10.2 percent in 1981. Both minimum wage and AGHE increases lagged behind the CPI increases in 1979, 1980, and 1981. The minimum wage rose 9.4, 6.9, and 8.1 percent in those three years, while AGHE increased 8.3, 8.1, and 8.9 percent.

From 1975 to the early 1980s, real incomes were falling because the rapid increases in the CPI were greater than those of AGHE and the minimum wage. In "normal" times, that situation is reversed, with income increasing faster than the CPI.

The U.S. economy has returned to its historical pattern, with the CPI following wage increases. However, one of the results of this previous period has been higher investment costs and the resultant lower growth of capital expenditures. This has resulted in an increasingly serious trade imbalance, with import levels rising above exports. This situation has been compounded by the wage disparity between the U.S. and other countries. This condition will probably never be totally rectified, but could be minimized in the future if we hold down our wage increases.

One example of the reversal of wage level and CPI increases are the years 1970 through 1975. During this period, AGHE increased 40.2 percent while the CPI rose 38.6 percent--making for an increase in real income. However, during this same time, the minimum wage also increased 31.3 percent, and this had an impact on increasing both the AGHE and the CPI. Simply put,

movements of the three indexes tend to have a relationship to one another, particularly changes in AGHE and the minimum wage.

The present administration's attacks on the high CPI in the early 1980s centered around tax revisions and stronger monetary policy. Abetting these policies was a resurgence of domestic oil exploration in the mid-1970s and the resultant lower price of crude oil. Also, governmental aid to the auto industry and foreign trade policy have somewhat dampened car price increases while strengthening that industry's employment picture. The unions also pitched in with lower wage increase demands in the late 1970s and early 1980s.

Currently, the U.S. economy is paying for the smaller increases in the CPI and AGHE with tigher monetary control and higher unemployment rates. The economy is also now enjoying lower interest rates and increasingly larger capital expenditures. From 1981 through 1985, the U.S. has experienced yearly average CPI increases around 4.5 percent with no minimum wage increases. The unemployment rates for those years, however, have been high--7.5 to 9.7 percent. Poverty numbers have also increased from 24.5 million people or 11.4 percent of the population in 1978 to 33.7 million people or 14.4 percent of the population in 1984.

Statistically, if we consider only those years since 1950 when the minimum wage did not increase for an extended period of time, and calculate the AGHE and CPI increases during those years, it is apparent that low minimum wage increases result in low CPI and AGHE increases. The three periods were 1956 through 1960, 1968 through 1973, and 1981 through 1985. The unemployment rates for these three time periods were 5.5, 5.0, and 8.0 percent respectively. (See Graph 3.) The yearly average CPI increase for this entire 16-year period was 3.4 percent and the yearly average AGHE increase was 4.7 percent.

One of the major goals of the minimum wage provision of the FLSA was to help people out of poverty. The evidence of whether this has been its result is rather contradictory. From 1959, when the minimum wage was $1 per hour, to 1984, when it was $3.35 per hour, the number of persons with income below the poverty level decreased from 39.5 to 33.7 million (22.4 percent of the total population in 1984). Also, in the 1960s, when there was a 60 percent increase in the minimum wage, the number of people in poverty dropped from 39.9 to 24.1 million.

During the 1970s, on the other hand, when the minimum wage increased 80 percent, the number of people in poverty increased from 24.1 to 26.1 million. A similar phenomenon occurred in the 1980s. While the minimum wage increased 15.5 percent, the number of people in poverty rose from 26.1 to 33.7 million. In fact, the 23.5 percent increase in the minimum wage since 1955 has only lowered the number in poverty by 5.8 million people. (See Graph 4.)

CPI increases, however, are reflected in the one-person poverty level guidelines. Also, as the one-person poverty level dollar amount approaches the mininum wage (annual income), the number of people below the poverty level increases. In the late 1960s and early 1970s, when the percentages of the poverty level dollar amount to the minimum wage were in the mid to high fifties, the number of people below the poverty level was around 25 million--low numbers for this period. This percentage went up to 75.7 in 1984, with the number of people below the poverty level at 35.5 million.

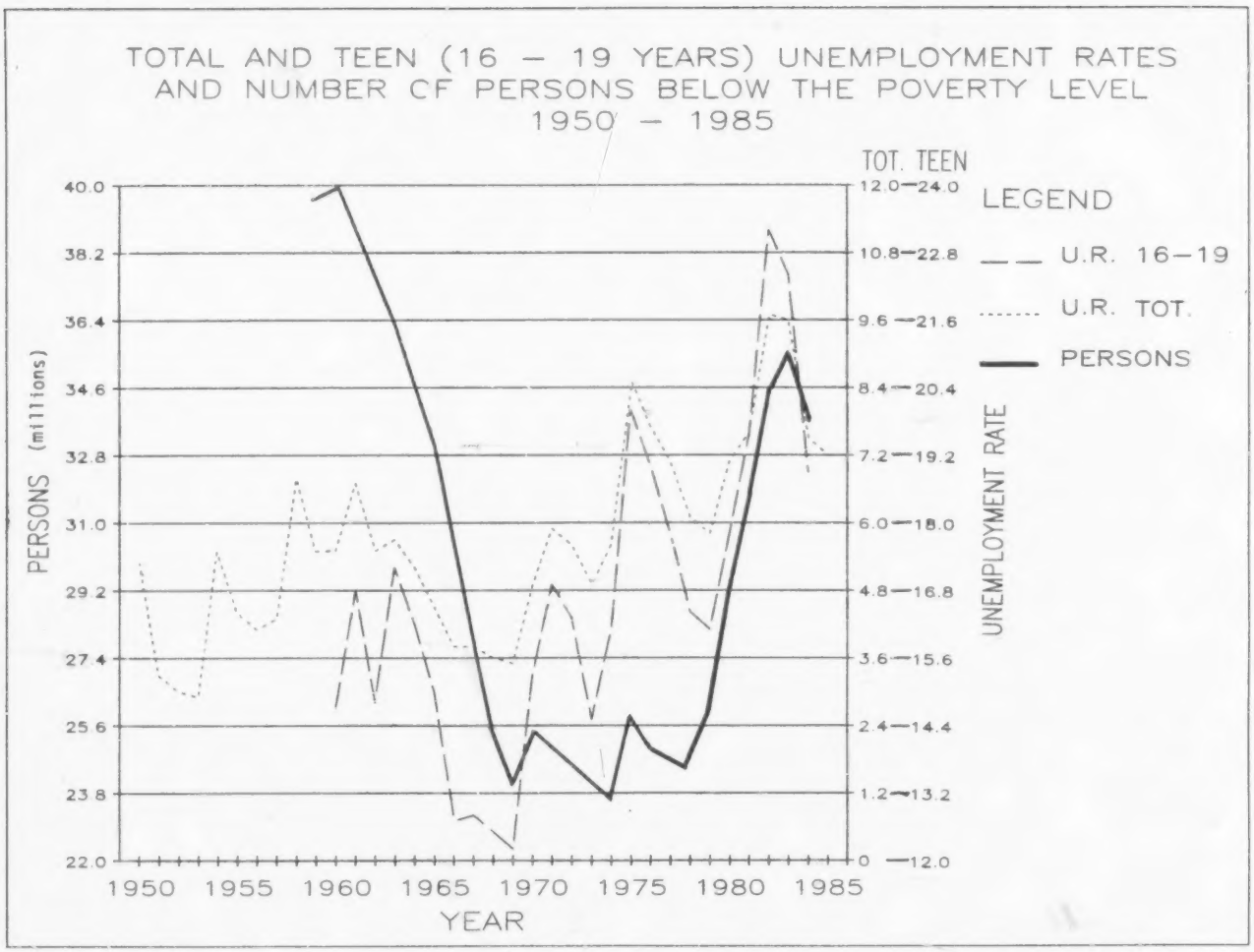
Concluding Points:

1. From 1938 to 1985, minimum wage increases have outpaced CPI increases.

2. If a minimum wage increase does not increase worker productivity, it will raise the CPI through increased money demand for goods and services and increased employer costs. Such minimum wage increases will not result in real income gains.

3. Minimum wage increases will push up AGHE.

GRAPH 3



4. Minimum wage increases appear to have a one to three year worsening effect on unemployment.

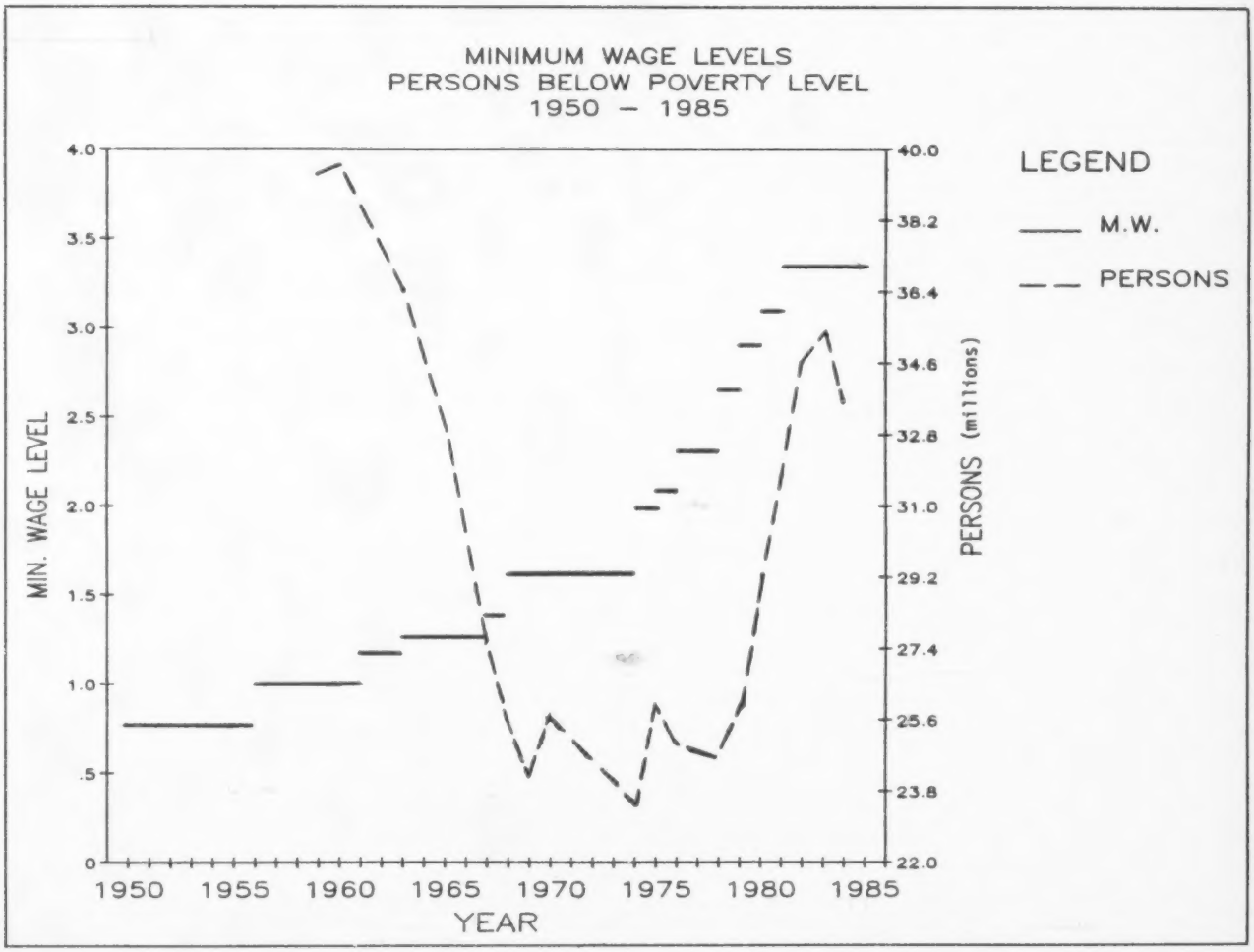
5. The number of people below the poverty level increases as unemployment increases. In addition, the number of people living in poverty increases as the one-person poverty level dollar amount becomes a larger percentage of the minimum wage earner's annual income.

6. Minimum wage jobs are found primarily in the two nongoods-producing industries--retail trade and services (including the food service sector)--two industries where about 40 percent of U.S. employment is found. The burden of the minimum wage tends to fall on teenagers and the elderly.

7. MW ↑ AGHE ↑ UR ↑ CPI ↑ PL ↑ PNo. ↑
Minimum wage (MW) increases which do not increase worker productivity will push up (AGHE), the unemployment rate (UR) in the short-run, and the (CPI). The poverty level (PL) will increase with the CPI, increasing the number of people in poverty (PNo.).

8. The minimum wage level's proportion of AGHE has dropped to 39.1 percent in 1985, down from around 50 percent in the 1960s.

GRAPH 4



9. The "Phillips Curve" concept is still at work. There is a trade-off between high unemployment and low CPI increases, and vice-versa.

10. In the past decade in the U.S., there has been a surge of automatic and computerized systems to replace low-skilled human labor.

11. It is possible that minimum wage increases which do not increase worker productivity are driving low-skilled workers out of employment and into the ranks of the poor. High teenage unemployment in the last 10 years is an example. Too high a minimum wage limits opportunities for workers to improve their employability skills.

12. There are presently many more two wage-earning families in the U.S. than there were 25 years ago.

13. Recent U.S. economic problems result largely from the high wage base of labor, large CPI increases, and steeply climbing labor costs to employers over the last 10 years.

14. In recent years, federal monetary and tax policies have been used to control increases in the CPI and, therefore, higher wage level demands. Hopefully, this places the U.S. economy in a better labor cost position with foreign countries.

Glede Kohler

Arizona Labor Force and Employment

June 1986 (in thousands)

	ARIZONA				
				-- Amt Change --	
	Jun.* 1986	May. 1986	Jun. 1985	May. to Jun.	1985 to 1986
TOTAL CIVILIAN LABOR FORCE**	1590.6	1580.3	1469.6	+10.3	+121.0
Total Unemployment	112.7	100.1	107.7	+12.6	+5.0
Rate	7.1	6.3	7.3	---	---
Rate (Sea. Adj.)***	6.9	6.4	7.1	---	---
Total Employment	1477.9	1480.2	1361.9	-2.3	+116.0

The Above Labor Force Statistics Should Not

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1332.6	1348.8	1271.0	-16.2	+61.6
Manufacturing	181.2	182.2	181.4	-1.0	-0.2
Durable Goods	142.5	143.6	144.2	-1.1	-1.7
Stone, Clay and Glass	8.1	8.0	8.1	+0.1	+0.0
Primary and Fabricated Metals	14.2	16.2	17.6	-2.0	-3.4
Primary Metals	5.7	7.7	7.8	-2.0	-2.1
Fabricated Metals	8.5	8.5	9.8	+0.0	-1.3
Machinery	64.9	64.6	69.3	+0.3	-4.4
Other Durable Goods	55.3	54.8	49.2	+0.5	+6.1
Aircraft and Missiles	26.6	26.5	22.0	+0.1	+4.6
Lumber and Wood Products (Except Furniture)	7.6	7.6	7.4	+0.0	+0.2
All Other Durable Goods	21.1	20.7	19.8	+0.4	+1.3
Nondurable Goods	38.7	38.6	37.2	+0.1	+1.5
Food and Kindred Products	9.0	8.9	8.2	+0.1	+0.8
Apparel	4.4	4.6	4.5	-0.2	-0.1
Printing and Publishing	15.0	14.9	14.3	+0.1	+0.7
All Other Nondurable Goods	10.3	10.2	10.2	+0.1	+0.1
Mining and Quarrying	10.6	10.7	12.1	-0.1	-1.5
Copper Mining	8.1	8.2	9.4	-0.1	-1.3
Other Mining and Quarrying	2.5	2.5	2.7	+0.0	-0.2
Construction	117.4	115.7	114.0	+1.7	+3.4
Trans., Communications, and Public Utilities	63.4	64.8	63.2	-1.4	+0.2
Transportation	29.5	29.3	29.3	+0.2	+0.2
Communications and Public Utilities	33.9	35.5	33.9	-1.6	+0.0
Trade	332.4	332.9	313.0	-0.5	+19.4
Wholesale Trade	66.5	66.4	63.2	+0.1	+3.3
Retail Trade	265.9	266.5	249.8	-0.6	+16.1
General Merchandise and Apparel	40.4	40.5	39.3	-0.1	+1.1
Food Stores	40.7	40.4	37.5	+0.3	+3.2
Automotive and Service Stations	33.5	33.1	30.8	+0.4	+2.7
Eating and Drinking Places	95.1	95.9	90.0	-0.8	+5.1
Other Retail Trade	56.2	56.6	52.2	-0.4	+4.0
Finance, Insurance, and Real Estate	90.3	89.4	80.7	+0.9	+9.6
Services and Miscellaneous	321.3	320.8	299.9	+0.5	+21.4
Hotels and Other Lodging Places	32.1	32.8	29.7	-0.7	+2.4
Business Services	73.5	72.7	67.8	+0.8	+5.7
Health Services	78.4	78.0	74.0	+0.4	+4.4
Other Services	137.3	137.3	128.4	+0.0	+8.9
Government	216.0	232.3	206.7	-16.3	+9.3
Federal	42.2	41.5	41.6	+0.7	+0.6
State and Local	173.8	190.8	165.1	-17.0	+8.7
School	94.2	113.8	91.7	-19.6	+2.5

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

June 1986 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Jun.* 1986	May. 1986	Jun. 1985	May. to Jun.	1985 to 1986	Jun.* 1986	May. 1986	Jun. 1985	May. to Jun.	1985 to 1986
989.5	980.4	905.3	+9.1	+84.2	308.1	310.7	284.9	-2.6	+23.2
52.9	49.2	49.4	+3.7	+3.5	16.9	16.2	16.0	+0.7	+0.9
5.3	5.0	5.5	---	---	5.5	5.2	5.6	---	---
5.2	5.1	5.4	---	---	5.4	5.4	5.5	---	---
936.6	931.2	855.9	+5.4	+80.7	291.2	294.5	268.9	-3.3	+22.3

Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

883.0	888.3	837.7	-5.3	+45.3	240.5	246.3	229.4	-5.8	+11.1
128.4	129.5	131.2	-1.1	-2.8	32.9	32.9	31.5	+0.0	+1.4
101.9	103.2	105.2	-1.3	-3.3	27.6	27.6	26.6	+0.0	+1.0
5.0	4.9	5.0	+0.1	+0.0					
8.4	10.5	11.6	-2.1	-3.2					
51.2	50.9	55.2	+0.3	-4.0					
37.3	36.9	33.4	+0.4	+3.9					
26.5	26.3	26.0	+0.2	+0.5	5.3	5.3	4.9	+0.0	+0.4
5.8	5.7	5.5	+0.1	+0.3					
2.9	2.9	3.0	+0.0	-0.1					
10.8	10.8	10.4	+0.0	+0.4					
7.0	6.9	7.1	+0.1	-0.1					
0.6	0.6	0.6	+0.0	+0.0	1.6	1.6	2.4	+0.0	-0.8
82.2	81.1	79.7	+1.1	+2.5	22.5	22.1	21.8	+0.4	+0.7
41.6	42.1	41.2	-0.5	+0.4	9.5	9.8	9.6	-0.3	-0.1
19.6	19.5	19.8	+0.1	-0.2	5.0	5.0	4.5	+0.0	+0.5
22.0	22.6	21.4	-0.6	+0.6	4.5	4.8	5.1	-0.3	-0.6
228.0	228.6	213.6	-0.6	+14.4	55.1	55.1	52.1	+0.0	+3.0
53.6	53.4	50.7	+0.2	+2.9	7.7	7.6	7.5	+0.1	+0.2
174.4	175.2	162.9	-0.8	+11.5	47.4	47.5	44.6	-0.1	+2.8
26.0	26.1	25.0	-0.1	+1.0	7.0	7.0	7.2	+0.0	-0.2
25.9	25.6	23.9	+0.3	+2.0	7.1	7.1	6.2	+0.0	+0.9
21.5	21.3	19.6	+0.2	+1.9	5.8	5.7	5.2	+0.1	+0.6
61.8	62.6	58.5	-0.8	+3.3	17.9	18.1	16.6	-0.2	+1.3
39.2	39.6	35.9	-0.4	+3.3	9.6	9.6	9.4	+0.0	+0.2
71.0	70.1	62.9	+0.9	+8.1	12.9	12.9	11.6	+0.0	+1.3
218.4	218.7	202.3	-0.3	+16.1	59.4	59.6	55.5	-0.2	+3.9
17.6	18.6	16.4	-1.0	+1.2	5.4	5.7	4.7	-0.3	+0.7
60.3	59.5	55.5	+0.8	+4.8	10.5	10.5	9.5	+0.0	+1.0
52.8	52.5	49.4	+0.3	+3.4	16.1	16.1	15.6	+0.0	+0.5
87.7	88.1	81.0	-0.4	+6.7	27.4	27.3	25.7	+0.1	+1.7
112.8	117.6	106.2	-4.8	+6.6	46.6	52.3	44.9	-5.7	+1.7

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/86)

Nonmetropolitan Counties
Labor Force and Employment
June 1986

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	16,000	36,050	40,475	12,400	7,750	2,925	4,725
Total Unemployment	4,100	2,825	4,850	1,775	925	300	725
Rate	25.6%	7.8%	12.0%	14.3%	11.9%	10.3%	15.3%
Rate (Seas. Adj.)**. . . .	23.7%	7.8%	11.6%	14.9%	11.6%	9.1%	-INA-
Total Employment	11,900	33,225	35,625	10,625	6,825	2,625	4,000
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	14,400	24,525	34,775	9,900	4,425	2,700	2,725
Manufacturing.	725	2,125	2,850	1,300	175	0	100
Mining and Quarrying	25	125	50	1,225	0	1,675	0
Construction	1,000	1,275	1,725	450	175	125	125
Trans., Comm., & Pub. Util..	1,750	1,700	2,250	400	150	50	50
Trade.	1,550	5,375	8,150	1,975	1,250	275	925
Fin., Insur., & Real Estate.	300	700	775	275	125	25	100
Services and Miscellaneous .	4,450	3,700	9,425	1,925	825	75	650
Government	4,600	9,525	9,550	2,350	1,725	475	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	27,700	27,450	34,300	9,575	33,750	39,975
Total Unemployment	2,550	5,300	4,350	1,575	2,175	11,475
Rate	9.2%	19.3%	12.7%	16.4%	6.4%	28.7%
Rate (Seas. Adj.)**. . . .	9.4%	18.4%	12.3%	16.1%	6.6%	-INA-
Total Employment	25,150	22,150	29,950	8,000	31,575	28,500
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	18,400	19,325	25,350	8,100	22,000	22,500
Manufacturing.	2,425	1,875	3,100	1,275	2,400	1,475
Mining and Quarrying	275	1,100	3,400	0	575	25
Construction	1,275	1,150	1,400	350	2,050	1,625
Trans., Comm., & Pub. Util..	1,100	1,575	900	500	975	925
Trade.	5,325	3,825	4,825	3,125	5,650	7,075
Fin., Insur., & Real Estate.	925	350	725	250	925	900
Services and Miscellaneous .	3,950	5,475	2,725	1,150	4,850	4,325
Government	3,125	3,975	8,275	1,450	4,575	6,150

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs June 1986

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,590,636	1,477,908	112,728	7.1%
Apache	16,009	11,903	4,106	25.6
Cochise	36,040	33,227	2,813	7.8
Coconino	40,483	35,632	4,851	12.0
Gila	12,407	10,635	1,772	14.3
Graham	7,745	6,822	923	11.9
Greenlee	2,909	2,621	288	9.9
La Paz	4,736	4,009	727	15.4
Maricopa	989,504	936,586	52,918	5.3
Mohave	27,705	25,152	2,553	9.2
Navajo	27,449	22,147	5,302	19.3
Pima	308,061	291,175	16,886	5.5
Pinal	34,313	29,956	4,357	12.7
Santa Cruz	9,572	7,990	1,582	16.5
Yavapai	33,727	31,563	2,164	6.4
Yuma	39,976	28,490	11,486	28.7

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Estimated Hours and Earnings of Production Workers in Selected Industries in Arizona June 1986

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	JUNE* 1986	MAY 1986	JUNE 1985	JUNE* 1986	MAY 1986	JUNE 1985	JUNE* 1986	MAY 1986	JUNE 1985
FOR THE STATE OF ARIZONA*									
Manufacturing	403.91	400.00	388.55	41.3	40.9	40.9	9.78	9.78	9.50
Aircraft & Missiles	NA	NA	NA	NA	NA	NA	NA	NA	NA
Food & Kindred Products	383.87	381.00	367.20	41.1	41.1	42.5	9.34	9.27	8.64
Primary Metals	523.23	516.26	500.22	39.4	39.2	39.7	13.28	13.17	12.60
Machinery	370.52	362.21	333.45	40.1	39.2	39.0	9.24	9.24	8.55
Copper Mining	571.54	565.96	561.02	41.0	40.6	41.1	13.94	13.94	13.65
Construction	432.70	446.40	435.34	36.3	36.5	36.8	11.92	12.23	11.83
Utilities	607.20	594.69	575.96	44.0	43.0	43.6	13.80	13.83	13.21
Retail Trade**	244.50	238.90	241.25	34.1	33.6	33.6	7.17	7.11	7.18
Wholesale Trade	388.57	386.63	361.82	40.1	39.9	39.2	9.69	9.69	9.23

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/86)

The Arizona Labor Force in June

An unexpectedly large influx of job seekers in June pushed Arizona's unemployment rate up from 6.4 percent to 6.9 percent. Statewide, unemployment is at its highest level since July 1985 and is only two-tenths of a percentage point below the national average. A combination of youth entering the labor market in search of summer employment, slower job creation, and continuing inmigration all combined to push the unemployment rate up sharply. While the jump in unemployment was unexpectedly large, the months ahead will likely see further, albeit smaller, increases.

Industry employment changes were as expected in June. Seasonal losses in government were the result of schools closing for summer vacation. And in the trade and services industries, the state's central and southern counties saw employment fall as temperatures rose. On the positive side, booming summer tourism in the state's northern counties and expanding residential construction activity helped to blunt losses somewhat. But as usually happens at this time of the year, employment levels will remain depressed until September.

Interpreting employment statistics this month is complicated by a combination of seasonal factors and the strike against American Telephone and Telegraph (AT&T). Strikers, who numbered approximately 4,000, caused employment to drop in manufacturing, public utilities, retail trade, and services. The strike has now been settled and those levels will return to normal next month. Strikers are not included in the employment by industry tabulation, but they are counted as part of total employment and therefore have no impact on the unemployment rate.

In manufacturing, some encouraging signs were noted. The machinery sector, which contains many of the state's electronics firms, saw employment rise 300 to 64,900. While this leaves us 4,400 jobs below the level of a year ago, it does show some steady progress. Book-to-bill ratios are still weak, and competition from international firms will keep growth depressed. But with defense manufacturers beginning to encounter difficulties in expanding employment, the months ahead will depend on electronics for slow growth.

Meanwhile, conditions in construction and associated industries are much more encouraging. Lower interest rates have spurred activity and growth remains good. Another employment record was set in June as 1,700 more workers found jobs. The slowdown in commercial and multifamily housing has not had the dampening effect that had been expected. And looking ahead, the outlook remains bright. Vacancy rates are at reasonable levels and new residents should continue to absorb many homes. With interest rates trending downward and affordability still at desirable levels, the direction is clearly upward. Many analysts see a period well into next year of steady growth. If that is true, the next 12 months will see much activity.

A strong tourism season which had been expected in Apache, Coconino, Gila, Mohave, Navajo, and Yavapai counties gained steam in June. Activity at national parks and forests is quite good as evidenced by strong employment growth. Predictions of record activity that were made a few months ago seem to be following course. With at least two more months to go in the season, this will clearly be one of the best years in quite a long time.

Activity in June should be interpreted cautiously. Seasonal summer activity and a major strike influenced the data. The unexpectedly large jump in unemployment may be recovered somewhat over the next few months. But our outlook is little changed from earlier forecasts. Unemployment will trend upward slowly as new residents find that it takes longer to secure employment. Layoffs will be scattered among manufacturers and others, but that will be more the exception than the rule. Employment growth will be lower than in 1984 or 1985, probably about 5 percent, but still among the top performing states. With national activity anemic, our growth will be slower and concentrated in the metropolitan areas.

Dan Anderson

Arizona Unemployment Insurance Activities - May 1986

	May 1986	April 1986	May 1985	% Change From One Year Ago
Arizona Claimants Served*	30,209	30,052	27,528	9.7%
Arizona Average Weeks Unemployed**	8.8	8.5	9.0	-2.5%
Arizona Benefits Paid*	$ 10,887,908	$ 10,962,747	$ 9,353,537	16.4%
Arizona Trust Fund Balance	$370,143,626	$345,560,866	$301,169,885	+22.9%

*All Programs
**UI Only

Supported Employment
Competitive Employment for the Severely Handicapped

"Supported Employment" is a combination of paid work opportunities and ongoing support services for individuals who are severely disabled. The support services are provided to the worker within the context of a competitive work setting. The Office of Special Education and Rehabilitation Services (OSERS) in Washington, DC--recognizing that for the severely handicapped person competitive employment at or above minimum wage was unlikely to occur without intensive ongoing support--developed the Supported Employment initiative.

After the announcement of this initiative, OSERS also announced a discretionary grant program to aid states in the development and implementation of Supported Employment demonstration projects. Ten states were awarded grants extending over a five-year period to develop, implement, and monitor Supported Employment projects. Arizona is one of the ten states to receive a grant award (approximately two million dollars over the five-year period). Grants were also given to Alaska, California, Kentucky, Maryland, Michigan, Minnesota, Utah, Virginia, and Washington.

The target groups to be addressed by the project are:

- Developmentally disabled;
- Chronically mentally ill;
- Brain injured; and
- Severely physically handicapped.

An implied promise of education or training is that it will qualify an individual for employment. For the severely disabled individual, however, this has been more of a promise than a reality. The majority of these individuals become involved in publicly supported day and vocational services where they often experience low wages, slow movement toward employment, segregation from their nondisabled peers, or they simply stay at home.

In the provision of rehabilitation services to persons with disabilities, Vocational Rehabilitation (VR) has continually made an effort to serve the more severely disabled individuals in the four target populations. However, the services traditionally provided by VR are time-limited and are designed to lead to independent employment at the termination of services. While the presence of a disability often qualifies an individual for these services, entry into the program is usually restricted to those persons thought capable of making it on their own after services are completed.

The Supported Employment concept evolved out of the recognition that there has been a missing link in the transition from education and/or training into employment for the more severely disabled individual. Additionally, the cost of maintaining day treatment and day activities centers has been increasing. Supported Employment has been designed to address both of these issues. It presents both a challenge and an opportunity to create alternatives to current service systems that will provide greater employment benefits and integration into the main stream of work for the more severely disabled.

Under the concept of Supported Employment, the following criteria need to be met in order for a job to be called Supported Employment:

- It is pay for work performed;
- It is at least 20 hours per week;
- It is integrated with nondisabled persons on a regular basis;
- There are no more than eight disabled workers at a given work site; and
- The disabled worker is treated as an employee with all the rights and benefits of that status.

The emphasis will be on:

- Direct job placement through a careful client/employer match;
- Ongoing and intensive support as typically is provided in day activity programs--only this support is provided in a real work setting; and
- Follow-up and advocacy to ensure a stable work pattern that is beneficial to the employer and client alike.

A major thrust of the Supported Employment movement is the redirection of public dollars that are now being spent to maintain severely disabled persons in day treatment and other nonemployment programs. The support dollars needed to maintain individuals in their current setting will be redirected to provide the necessary ongoing support services in a competitive work placement. Persons with disabilities, taxpayers, and society as a whole want to know what outcomes are associated with the services provided and how much they cost. While the implementation of Supported Employment is still in its infancy, the data that is beginning to accumulate would suggest that over a period of time, there is a cost-benefit to maintaining a person in a work setting with ongoing supports rather than in a day treatment program. This is without consideration of either the self-esteem the severely disabled individual gains from being employed or the contributions to society the person makes through payment of taxes, social security, and other wage withholdings.

Under Arizona's grant, there are limited dollars available each year for start-up projects. For the first grant year, VR received a number of proposals from service providers statewide to develop and implement start-up projects that meet the national model of Supported Employment. The contracts for the first year start-up projects are currently being written. The training and ongoing support necessary to sustain the disabled person in Supported Employment will be performed by these service providers.

Among the several models to be used in supported employment are:

THE JOB COACH/INDIVIDUAL PLACEMENT MODEL - A trained job coach develops the job, matches the severely handicapped person to the job, and then trains the individual on the job until he or she meets industry criteria. The job coach then provides ongoing follow-up support to the individual and the employer for as long as such support is needed--intensely at first and then on a decreasing basis.

THE ENCLAVE/GROUP PLACEMENT MODEL - A group of severely handicapped workers (no more than eight), with an on-site supervisor, who perform work tasks within a host manufacturing company. The handicapped workers work on a manufacturing line

alongside others doing the same work, and are managed by a specially-trained supervisor.

THE MOBILE CREW MODEL - A group of severely handicapped workers who move around from one job to another in a small, single purpose business such as a janitorial or yard maintenance business. With this model, a general manager is responsible for small crews having one supervisor and approximately five employees per crew. This is a good model for rural areas or areas where work tends to be seasonal. Prior to the implementation of this model, it is recommended that a market survey be carried out in order to determine the types of businesses most likely to be successful in a given locale.

Employers who would like more information on the Supported Employment Project or who might be able to develop work sites for severely disabled individuals can contact the project director, Lenore Drake, at 255-3332. Future plans for the project include the development of brochures and a newsletter and also an investigation into the possibility of providing additional incentives to employers for the provision of jobs for the severely disabled (in addition to the Targeted Jobs Tax Credit).

A primary objective of the project is to increase the cooperation and participation between groups and agencies in the design and implementation of a statewide system of Supported Employment. This is now occuring within Arizona through the cooperative efforts of the various funding sources. There will also be an advisory council established for the project. The council representation will come from a cross-section of the community and will include representation from the employer community.

While this concept is fairly new, people dedicated to vocational rehabilitation need a willingness to cope with yet unanswered questions that still plague the movement. By doing so, they can provide opportunities to disabled workers who might otherwise never be recognized by society as legitimate members of the workforce.

NOTE: Employers may not be aware of the services which can be provided by the Rehabilitation Services Administration (RSA) to a firm's employees who become disabled. A company has a considerable investment in a long-term employee in the knowledge the employee has of the company and of its goals and purpose. When an employee is identified as having a disability which interferes with his or her ability to perform the job, RSA can become involved (while the individual is still employed) to help organize the employer's efforts to protect that investment. Also, RSA can help the employee make a transition either into a new position with the company (by providing training), by job modification, or a restructuring of the current position (through the utilization of the services of the RSA rehabilitation engineer).

Lenore Drake

JSEC News:
Maximize the Return on Your Tax Dollar

Your Job Service Employer's Committee (JSEC) is off and running for the 1986 Fall season. The Maricopa County committees combined forces for a Metro JSEC meeting on May 29, 1986, offering a free seminar. The topic was "Positive Employee Relations and the Use of Employee Handbooks." The seminar featured a panel of three speakers who addressed the subject with a discussion following. Sixty employers attended, taking advantage of their free resources. Mesa JSEC is presenting "Initiatives for Assisting Employers." Their meeting is set for September 11, 1986 at 8:30 a.m. at the Mesa Job Services office, Seven South Hibbert, Mesa. For more information call Ms. Anne Frey, 834-7777; Ms. Terry Hickey, 831-1131; or Ms. Sally Ellison, 961-1044.

Did you know that the Arizona State Legislature has reversed an earlier decision making it again possible for a corporation to represent itself at an Unemployment Insurance hearing? Effective August 13, 1986, legal representation is no longer required.

The Legislature has also made it possible for DES to charge employers for voluntary participation in DES's Pre-layoff Assistance Program (PACT). Charges may be "only those fees necessary to cover the costs of administering the Job Service and retraining services." This is also effective August 13, 1986.

Why not join the list of employers who know how to get something for nothing? Meet your fellow employers at the next JSEC meeting held in your area. You have 16 committees to choose from. Check the following list and call the chairperson for more information. See you there.

Peggy Murphy
JSEC Communications Vice Chair

Ms. Sharon Pritchard (CENTRAL PHOENIX)
ARIZONA PUBLIC SERVICE COMPANY
P. O. Box 21666, Station 1460
Phoenix, AZ 85036 (271-3510)

Ms. Patti Ames (WEST PHOENIX)
CARTER GLOGAU
5160 W. Bethany Home Road
Glendale, AZ 85301 (939-7565)

Mr. Carl Guse (SOUTH PHOENIX)
ASM AMERICA, INC.
4135 East Wood Street
Phoenix, AZ 85040 (437-0640 x-50)

Ms. Terry Hickey (EAST VALLEY)
ADIA PERSONNEL SERVICES
2101 E. Broadway, Suite 14
Tempe, AZ 85282 (831-1131)

Ms. Ann Morrison (TUCSON)
HUGHES AIRCRAFT CORP.
5915 E. 4th Street
Tucson, AZ 85711 (295-8403)

Ms. Sandra Fleetwood (WINSLOW)
ARIZONA PUBLIC SERVICE COMPANY
P. O. Box 188
Joseph City, AZ 86032 (288-3381)

Mr. Richard L. Bonney (PRESCOTT)
BETTER BILT ALUMINUM
HC 36 - Box 110
Prescott, AZ 86301 (772-7000)

Mr. Monte Jim (FLAGSTAFF)
NATIVE AMERICANS FOR COMMUNITY ACTION
50 North San Francisco Avenue
Flagstaff, AZ 86001 (774-6613)

Mr. William L. Andrews (COTTONWOOD)
THE DELI
P. O. Box 819
Cottonwood, AZ 86326 (634-6558)

Ms. Ilene Tsosie (FT. DEFIANCE)
NAVAJO COMMUNICATION COMPANY
Drawer 707
Window Rock, AZ 86515 (871-5581)

Mr. Steve Countryman (PINETOP/SHOW LOW)
SAFEWAY COMPANY
607 W. Deuce of Clubs
Show Low, AZ 85901 (537-2848)

Mr. Joseph D. Park (YUMA)
ARIZONA GROVES, INC.
P. O. Box 5236
Yuma, AZ 35364 (726-4325)

Mr. Harry Hughes (KINGMAN)
CHAMBER OF COMMERCE
P. O. Box 1150
Kingman, AZ 86402 (753-6106)

Ms. Pat Wells (LAKE HAVASU)
NAUTICAL INN RESORT
1265 Bombay Circle
Lake Havasu City, AZ 86403 (855-2141)

Mr. George Greenslate (COOLIDGE)
c/o Ms. Donna Williams JS Office
1155 N. Arizona Avenue
Coolidge, AZ 85228 (723-5351)

Ms. Marie V. Wurth (SIERRA VISTA)
SIERRA VISTA HOSPITAL
300 El Camino Real
Sierra Vista, AZ 85635 (458-4641)

Ms. Peggy Murphy (JSEC COMMUNICATIONS)
PAN AMERICAN PRODUCE CO.
"dba" Slice & Dice
P. O. Box 21364
Phoenix, AZ 85036 (258-7718)

Project Self-Sufficiency Needs Jobs

Phoenix has a new program called Project Self-Sufficiency to help single parents with young children get off welfare. Project Self-Sufficiency is a demonstration program sponsored by the U.S. Department of Housing and Urban Development. The overall goal of the program is to help very low income single parents become economically self-sufficient by fulfilling basic needs such as housing, child care, and transportation; and by providing counseling, training, and job placement services.

Over the next few months, Project Self-Sufficiency participants will be graduating from training and looking for jobs to help them reach their goal of economic independence. The Project Self-Sufficiency Task Force is looking for employers to help participants get off welfare and become self-sufficient. By hiring a participant, employers will not only be helping the individual, but will also be contributing to the health of the community by helping someone get off the welfare roll. Employers will benefit by hiring a person who is trained, motivated, and ready to work. Employers that are interested in Project Self-Sufficiency should call Arizona Women's Employment and Education (AWEE) at 258-0864.

The program is timely. Over the last decade, the number of single-parent families in Arizona increased by 97 percent. It is estimated that by the 1990's, 44 percent of the children in our state will live in single-parent households. Over 11,000 single-parent families are on the welfare rolls monthly in Maricopa County. Ninety-eight percent of these families are headed by women. The average payment per case is $215, or over $2.4 million each month. Food stamps for these families cost the public another $3.2 million monthly. Project Self-Sufficiency will stop the vicious welfare dependency cycle by offering economic stability through employment.

Mayor Terry Goddard has appointed 15 representatives from the public and private sectors to the Project Self-Sufficiency Task Force, which is implementing the program. The Task Force is responsible for obtaining the resources needed to help single-parent families become self-sufficient.

The federal government is giving Phoenix a grant of $262,000 annually to subsidize the housing costs of 46 single-parent families through the Section 8 Housing Assistance Program. The program will help families rent privately-owned apartments or houses that are decent, safe, and sanitary. The family will pay 30 percent of its income for rent and the remaining cost will be paid by the City. As the family's income increases, the amount of public assistance will decrease.

To participate in Project Self-Sufficiency, a person must be a single parent with young children and a welfare recipient. Participants must graduate from three weeks of intensive Pre-Employment Readiness Training provided by AWEE. Group motivational activities will address topics such as goal setting, problem solving, communication skills, career exploration, and job hunting strategies. All activities are geared towards achieving and retaining economic independence. Counselors will also help clients find child care, arrange transportation to work, and locate housing close to their jobs.

Project Self-Sufficiency clients will be monitored by a counselor for two years after they get a job to ensure that they receive any support services they may need to continue their employment.

Only six months since its inception, the program has its first success story. Crystal Austin, mother of four children, entered the program in April 1986. Six weeks later, she is now employed full-time with National Health Laboratories as a Medicare verification clerk.

"I knew what I wanted to do," she explains, "but I just was not going after it. I think this program is good. It helped me get out of my shell. I like my job a lot." Crystal plans to attend nursing school in the fall.

Kathleen S.K.W. Bishop
City of Phoenix

Job Alliance Planning Annual Campaign for Veterans

The Arizona Alliance of Business has announced that it will conduct a campaign to find job openings for veterans during August and September in cooperation with seven veterans organizations. Employers will be encouraged to hire veterans and pledge specific openings during a direct mail appeal this month and a week-long telephone barrage in September. More than 5,000 firms will be contacted by the Alliance, a nonprofit coalition of business, education, and labor leaders.

The group estimates that more than 6,500 veterans are actively seeking employment in metropolitan Phoenix. Job pledges received during the campaign will be entered directly into the computerized Job Bank of the Arizona Department of Economic Security. The jobs will be earmarked for veterans of any age, who should contact the nearest state Job Service office. "I hope all employers will set aside jobs for veterans in their organizations and take advantage of the skills and talents they represent," said Emmett McNulty, executive director, Alliance.

Phoenix Mayor Terry Goddard has proclaimed the week of September 7 as "Jobs for Veterans" week in honor of the campaign's telephone blitz that week. Volunteers from all of the participating veterans groups as well as the Mountain Bell Telephone Pioneers will be making calls during the five-day push.

Program co-sponsors are: U.S. Veterans Administration, U.S. Veterans Employment & Training Service, Arizona Department of Economic Security, Arizona Veterans Service Commission, The American Legion, Veterans of Foreign Wars, Disabled American Veterans, and Vietnam Veterans Leadership Program. More than 1200 job pledges were received during the 1985 campaign.

New Developments

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

AGRICULTURAL JOBS - Jobs in Arizona needing agricultural skills increased by more than 21 percent in the past three years, and are predicted to increase another 43 percent by 1991, according to a University of Arizona (UA) study. The study, repeated every three years since 1970 by Dr. Phillip Zurbrick, a UA associate professor of agricultural education, said there were 47,445 agriculturally-related jobs in Arizona in September 1985. Zurbrick predicts the number to grow to 68,000 by 1991.

Horticulture was noted as the fastest growing agricultural field. Jobs in this area have increased by more than 95 percent within the past three years, Zurbrick said. He predicts that by 1991, more than 24,000 people will be employed in horticulture, making up 35 percent of all agricultural jobs in the state. Horticultural jobs include florists, golf course greenskeepers, landscape gardeners, nursery workers and others of a similar nature, Zurbrick said.

Zurbrick said that because his study includes all jobs requiring agricultural skills, his figures are higher than other sources. Other sources just count those associated with production agriculture, such as farm and ranch work, he said. "Arizona Economic Indicators," compiled by the UA College of Business and Public

Adminstration, estimated that there are only 17,700 agricultural jobs, while the Arizona State Occupational Information Coordinating Committee (ASOICC) estimated that there are 35,304.

HOME PRICES - The resale price of single-family homes in Maricopa County was stable last year, according to an analysis by Arizona State University's Center for Business Research. The average price for a resale home last year was about $51 per square foot without a garage and $54 with a garage. Homes without refrigerated air conditioning sold for an average of $45 per square foot.

CONSTRUCTION - The Papago Park Center, a development to be built on the former Legend City Amusement Park property and several adjacent parcels, was approved in mid-July by the board of directors for the Salt River Project (SRP). The plan would feature a $300 million office complex for the SRP and would be ringed by an assortment of privately-built projects.

"It is one of the most exciting development projects that I have ever seen for this community," said Mr. C. A. Howlett, an SRP assistant general manager who outlined the project to the board. The property, 478 acres of flat land with mixed zoning, is between 56th street and Project Drive from Van Buren Street to the Salt River, just west of the utility's current main office complex. The master plan calls for the SRP complex to be built in five phases, with construction on the first beginning as early as February 1987.

The first phase will include a six-story office building for the utility's computer operations. The other buildings that will be part of the complex will house corporate headquarters, the engineering and water departments, corporate services, customer services, and financial services. The tallest one will be 15 to 17 stories, another will be 12 to 14 stories, and the others will be eight to 10 stories tall. Howlett said the master plan calls for low buildings to be constructed on the south side of the site, with taller ones being located closer to the current SRP complex.

Construction has begun on the $30 million Arrowhead Country Club in Glendale, located south of Beardsley Road between 67th and 75th avenues. The 81,000 square-foot club will have two separate complexes--a 54,000 square foot Clubhouse and a 27,000 square foot Sportsclub. The country club will feature 10 tennis courts, 3 swimming pools, an exercise center, a restaurant, and an 18-hole golf course designed by Arnold Palmer. It is expected to be completed in February 1987, and will be one of the largest sports and social facilities in the Valley.

Construction is scheduled to begin in October on the first phase of the $7 million Glendale Financial Center, a 58,790 square-foot, three-story office building which will face the city's new municipal complex and town square at Glenn Drive and 58th Avenue. The building, which will be named the Arizona Bank Building, will represent the first major commercial project in Glendale's redevelopment program.

Construction has begun on a $3 million renovation of the Foothills Mall in Tucson. When finished, the project will include a cultural center for exhibitions of art, culture, natural history, and contemporary life of the Southwest.

A 153-unit student apartment complex for Grand Canyon College is on schedule, says John Zolinski, the college's physical plant and facilities planner. When completed, the $5.3 million project will provide on-campus housing for upper-classmen, married students, and older single adults. It is expected to bring more than 500 new residents to the campus at 3300 West Camelback in Phoenix.

Construction on Alta Mesa Plaza, a 120,000 square-foot shopping center at Brown and Higley roads in Mesa began in July. The center will be anchored by a 43,000 square-foot Lucky Supermarket. Approximately 32,000 square feet of shop space is planned with four freestanding building pads for restaurant and financial use. The $7.3 million plaza is expected to open for business in February 1987. The Estes Company is the developer.

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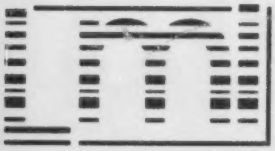

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